Introduced by Senator Simitian

February 19, 2010

An act to amend Sections 44019, 44041, 44081, and 44081.6 of the Health and Safety Code, to amend Sections 10770, 10856, 10858, and 10902 of, and to add Section 10752.7 to, the Revenue and Taxation Code, and to amend Sections 506, 1651.5, 4602, 5004.5, 9559.5, and 9700 of, and to add Article 1.5 (commencing with Section 9200) to Chapter 6 of Division 3 of, the Vehicle Code, relating to vehicles.

LEGISLATIVE COUNSEL'S DIGEST

SB 1393, as introduced, Simitian. Vehicles: biennial registration. Existing law generally establishes an annual registration period for vehicles and imposes annual registration fees on vehicles.

The Vehicle License Fee Law establishes an annual license fee for a vehicle subject to registration in this state in a specified amount of the market value of the vehicle.

This bill generally would require the Director of Motor Vehicles, commencing in 2012, to establish a biennial registration period for vehicles, except the bill would require the director to retain an annual registration period for vehicles registered pursuant to the International Registration Plan or commercial motor vehicles with a declared gross weight of 10,101 pounds or more.

The bill would require the Department of Motor Vehicles, commencing in 2012, to collect 2-years' worth of registration fees, vehicle license fees, and associated charges at the time of biennial registration, rather than collecting those fees and charges annually.

The bill would make conforming changes and would require the department to inform a person who renews his or her vehicle registration

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in 2011 of biennial registration beginning in 2012 and collection of registration fees and charges on a biennial rather than annual basis.

Vote: majority. Appropriation: no. Fiscal committee: yes. State-mandated local program: no.

The people of the State of California do enact as follows:

SECTION 1. Section 44019 of the Health and Safety Code is amended to read:

44019. (a) Every public agency, including, but not limited to, a publicly owned public utility, owning or operating any *a* motor vehicle that is exempt from annual biennial renewal of registration, and is otherwise subject to this chapter, shall obtain for the vehicle a certificate of compliance with the same frequency as is required for vehicles subject to renewal of registration. The cost limitations specified in Section 44017 do not apply to any *a* vehicle owned or operated by a public agency.

- (b) Certificates—A certificate of compliance required by subdivision (a) shall be issued if the vehicle meets the requirements of Section 44012 using a test analyzer system meeting the requirements of the department.—Any A certificate so issued shall be indexed by vehicle license plate number or vehicle identification number and retained by the public agency for not less than three years, and shall be available for inspection by the department.
- (c) Every—A public agency subject to subdivision (a) shall annually report annually to the department the number of certificates issued, the number of motor vehicles owned, and the schedule under which the motor vehicles were issued certificates of compliance.
- (d) The department may accept proof of compliance with this section other than by a certificate of compliance.
- SEC. 2. Section 44041 of the Health and Safety Code is amended to read:
- 44041. In order to expedite emissions testing and to eliminate errors in the transcription of vehicle data, the department-shall, in cooperation with the Department of Motor Vehicles, *shall* furnish bar code labels or bar coded documents to all vehicle owners at the time of their vehicle's-annual *biennial* registration renewal. The labels or documents shall contain vehicle identification numbers and other vehicle-specific information, to be determined

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by the department, which can be recorded by smog check station technicians utilizing the scanning devices required by Section 44036.

- SEC. 3. Section 44081 of the Health and Safety Code is amended to read:
- 44081. (a) (1) The department, in cooperation with the state board, shall institute procedures for auditing the emissions of vehicles while actually being driven on the streets and highways of the state. The department may undertake those procedures itself or seek a qualified vendor of these services. The primary object of the procedures shall be the detection of gross polluters. The procedures shall consist of techniques and technologies determined to be effective for that purpose by the department, including, but not limited to, remote sensing. The procedures may include pullovers for roadside emissions testing and inspection. The department shall consider the recommendations of the review committee based on the outcome of the pilot demonstration program conducted pursuant to Section 44081.6.
- (2) The department may additionally use other methods to identify gross polluting vehicles for out-of-cycle testing and repair.
- (b) The department—shall, by regulation, *shall* establish a program for the out-of-cycle testing and repair of motor vehicles found, through roadside auditing, to be emitting at levels that exceed specified standards. The program shall include all of the following elements:
- (1) Emission standards, and test and inspection procedures and regulations, adopted in coordination with the state board, applicable to vehicles tested during roadside auditing. Emission standards for issuance of a notice of noncompliance to a gross polluter shall be designed to maximize the identification of vehicles with substantial excess emissions.
- (2) Procedures for issuing notices of noncompliance to owners of gross polluters, either at the time of the roadside audit, or subsequently by certified mail, or by obtaining a certificate of mailing as evidence of service, using technologies for recording license plate numbers. The notice of noncompliance shall provide that, unless the vehicle is brought to a designated test-only facility or a test-and-repair station that is both licensed and certified pursuant to Sections 44014 and 44014.2, for emissions testing within 30 days, the owner is required to pay an administrative fee

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of five hundred dollars (\$500) to be collected by the Department of Motor Vehicles at the next-annual biennial registration renewal or the next change of ownership of the vehicle, whichever occurs first. Commencing on the 31st day after issuance of the notice of noncompliance, the fee shall accrue at the rate of five dollars (\$5) per day up to the five hundred dollars (\$500) maximum.

- (3) Procedures for the testing of vehicles identified as gross polluters by a designated test-only facility, or a test-and-repair station that is both licensed and certified pursuant to Sections 44014 and 44014.2, to confirm that the vehicle exceeds the minimum emission standard for gross polluters set by the department.
- (4) Procedures requiring owners of vehicles confirmed as gross polluters to have the vehicle repaired, resubmitted for testing, and obtain a certificate of compliance from a designated test-only facility, or a test-and-repair station that is both licensed and certified pursuant to Sections 44014 and 44014.2, or removed from service as attested by a certificate of nonoperation from the Department of Motor Vehicles within 30 days or be required to pay an administrative fee of not more than five hundred dollars (\$500), to be collected by the Department of Motor Vehicles at the next-annual biennial registration renewal or the next change of ownership, whichever occurs first. Commencing on the 31st day after issuance of the notice of noncompliance, the fee shall accrue at the rate of five dollars (\$5) per day up to the five hundred dollar (\$500) maximum. The registration of a vehicle shall not be issued or renewed if that vehicle has been identified as a gross polluter and has not been issued a certificate of compliance. Except as provided in subdivision (b) of Section 9250.18 of the Vehicle Code, any revenues collected by the Department of Motor Vehicles pursuant to this subdivision and Section 9250.18 of the Vehicle Code shall be deposited in the Vehicle Inspection and Repair Fund. If the ownership of the vehicle is transferred, the administrative fee provided for in this subdivision shall be waived if the vehicle is brought into compliance.
- (5) A procedure for notifying the Department of Motor Vehicles of notices of noncompliance issued, so that the Department of Motor Vehicles may provide effective collection of the administrative fee. The Department of Motor Vehicles shall

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cooperate with, and implement the requirements of, the department in that regard.

- (c) The department may adopt any other regulations necessary for the effective implementation of this section, as determined by the department.
- (d) Upon the request of the department, the Department of the California Highway Patrol shall provide assistance in conducting roadside auditing, to consist of (1) both the stopping of vehicles and traffic management, and (2) the issuance of notices of noncompliance to gross polluters. The department shall reimburse the Department of the California Highway Patrol for its costs of providing those services. The Department of Transportation and affected local agencies shall provide necessary assistance and cooperation to the department in the operation of the program.
- (e) There shall be no repair cost limit imposed pursuant to Section 44017 for any repairs that are required to be made under the roadside auditing program, except as provided in Section 44017.
- (f) This section does not apply to vehicles operating under a valid repair cost waiver or economic hardship extension issued pursuant to Section 44015.
- SEC. 4. Section 44081.6 of the Health and Safety Code is amended to read:
- 44081.6. (a) The California Environmental Protection Agency, the state board, and the department, in cooperation with, and with the participation of, the Environmental Protection Agency, shall jointly undertake a pilot demonstration program to do all of the following:
- (1) Determine the emission reduction effectiveness of alternative loaded mode emission tests compared to the IM240 test.
- (2) Quantify the emission reductions, above and beyond those required by Environmental Protection Agency regulation or by the biennial test requirement, achievable from a remote sensing-based program that identifies gross polluting and other vehicles and requires the immediate repair and retest of those gross polluting vehicles at a test-only station established by this chapter.
- (3) Determine if high polluting vehicles can be identified and directed to test-only stations using criteria other than, or in addition to, age and model year, and whether this reduces the number of

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vehicles which that would otherwise be subject to inspection at test-only stations.

- (4) Qualify emission reductions above and beyond those that are required by the regulations of the Environmental Protection Agency, achievable from other program enhancements pursuant to this chapter.
- (5) Determine the extent to which the capacity of the test-only station network established pursuant to Section 44010.5 needs to be expanded to comply with Environmental Protection Agency performance standards.
- (b) The California Environmental Protection Agency shall enter into a memorandum of agreement with the Environmental Protection Agency to establish the protocol for the pilot demonstration program. The memorandum of agreement shall ensure, to the extent possible, that the Environmental Protection Agency will accept the results of the pilot demonstration program as the findings of the Administrator of the Environmental Protection Agency. The pilot demonstration program shall be conducted pursuant to the memorandum of agreement.
- (c) The review committee established pursuant to Section 44021 shall review the protocol for the pilot demonstration program, as established in the signed memorandum of agreement, and recommend any modification that the review committee finds to be appropriate for the pilot demonstration program. Any such That modification shall become effective only upon the written agreement of the California Environmental Protection Agency and the Environmental Protection Agency.
- (d) The department shall contract, on behalf of the committee, with an independent entity to ensure quality control in the collection of data pursuant to the pilot demonstration program. The department shall also contract, on behalf of the committee, for an independent analysis of the data produced by the pilot demonstration program.
- (e) Any A contract entered into pursuant to this section shall not be subject to any restrictions that are applicable apply to contracts in the Government Code or in the Public Contract Code. The department shall report to the Legislature any action that is taken in accordance with this subdivision.

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(f) To the extent possible, the pilot demonstration program shall be conducted using equipment, facilities, and staff of the state board, the department, and the Environmental Protection Agency.

- (g) The pilot demonstration program shall provide for, but not be limited to, all of the following:
- (1) For-the purposes of this section, any vehicle subject to the inspection and maintenance program may be selected to participate in the pilot demonstration program regardless of when last inspected pursuant to this chapter.
- (2) Registered owners of vehicles selected to participate in the pilot demonstration program shall make the vehicle available for testing within a time period and at a testing facility designated by the department. If necessary, the department shall increase the capacity of the existing referee network in the area or areas where the pilot demonstration program will be operating, in order to accommodate the convenient testing of selected vehicles.
- (3) If the department finds that a vehicle is emitting excessive emissions, the vehicle owner shall be required to make necessary repairs within the existing cost limits and return to a testing facility designated by the department. The vehicle owner shall have additional repairs made if the repairs are requested and funded by the department. The department shall also fund the cost of any necessary repairs if the owner of the vehicle has, within the last two years, already paid for emissions-related repairs to the same vehicle in an amount at least equal to the existing cost limits, in order to obtain a certificate of compliance or an emission cost waiver.
- (4) Vehicle owners who fail to bring the vehicle in for inspection or fail to have repairs made pursuant to this section shall be issued notices of noncompliance. The notice shall provide that, unless the vehicle is brought to a designated testing facility for testing, or repair facility for repairs, within 15 days of notice of the requirement, the owner will be required to pay an administrative fee of not more than five dollars (\$5) a day, not to exceed two hundred fifty dollars (\$250), to be collected by the Department of Motor Vehicles at the next-annual biennial registration renewal or the next change of ownership of the vehicle, whichever occurs first. Commencing on the 31st day after issuance of the notice of noncompliance, the fee shall accrue at the rate of five dollars (\$5) per day up to the two hundred fifty dollars (\$250) maximum.

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1 Except as provided in subdivision (b) of Section 9250.18 of the

- 2 Vehicle Code, any revenues collected by the Department of Motor
- 3 Vehicles pursuant to this subdivision and Section 9250.18 of the
- 4 Vehicle Code shall be deposited into the Vehicle Inspection and
- 5 Repair Fund by the Department of Motor Vehicles.
 - (h) The Department of Motor Vehicles, the Department of Transportation, local agencies, and the state board shall provide necessary support for the program established pursuant to this section.
 - (i) As soon as possible after the effective date of this section, the department and the state board shall develop, implement, and revise as needed, emissions test procedures and emissions standards necessary to conduct the pilot demonstration program.
 - SEC. 5. Section 10752.7 is added to the Revenue and Taxation Code, to read:
 - 10752.7. Notwithstanding any other law, the annual amount of the license fee imposed pursuant to this part shall be paid on a biennial basis for a vehicle that is required to be registered on a biennial basis as determined by the department. The department shall coordinate the payment of the license fee with the changes to the vehicle registration period made by the act adding this section.
 - SEC. 6. Section 10770 of the Revenue and Taxation Code is amended to read:
 - 10770. (a) If the fee for an original registration is not paid within 20 days after it becomes delinquent, a penalty equal to 20 percent of the fee shall be added and collected with the fee.
 - (b) A penalty of 20 percent of the license fee shall be added on any an application for original or renewal of year-round or annual biennial registration made later than midnight of the date of expiration or on or after the date penalties become due. This penalty shall be computed after the vehicle license fee has been combined with the registration and weight fees as provided in Sections 9250 and 9400 of the Vehicle Code.
 - (c) Notwithstanding subdivision (a), any a penalty that became due prior to January 1, 1978, shall be computed at the rate of penalty—which that was then in effect.
- SEC. 7. Section 10856 of the Revenue and Taxation Code is amended to read:

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10856. (a) Except as provided in Section 9553 of the Vehicle Code, upon receipt of the application for renewal of registration, the department shall collect the required fee for the current registration—year period.—No A penalty shall not be imposed if the department receives the application prior to or on the date the vehicle is first operated, moved, or left standing upon—any a highway during its current registration—year period and the applicant has timely filed, pursuant to subdivision (a) of Section 4604 of the Vehicle Code, a certification that the vehicle will not be operated, moved, or left standing upon—any a highway during the current registration—year period without first making an application for registration of the vehicle, including full payment of fees.

- (b) If an application for renewal of registration is accompanied by an application for transfer of title, that application may be made without incurring a penalty for delinquent payment of fees not later than 20 days after the date the vehicle is first operated, moved, or left standing on—any *a* highway if a certification pursuant to subdivision (a) of Section 4604 of the Vehicle Code was timely filed with the department.
- (c) Upon receipt of an application for original registration, the department shall collect the required fee for the current registration year period. No A penalty shall not be imposed if the department receives the application and fee within 20 days after the fee becomes due.
- SEC. 8. Section 10858 of the Revenue and Taxation Code is amended to read:
- 10858. (a) When a transferee or purchaser of a vehicle applies for transfer of registration, as provided in Section 5902 of the Vehicle Code, and it is determined by the department *determines* that vehicle license fee penalties accrued prior to the purchase of the vehicle and that the transferee or purchaser was not cognizant of the nonpayment of the vehicle license fee for the current or prior registration—years *periods*, the department may waive the vehicle license fee penalties upon payment of the vehicle license fees due.
- (b) Other provisions of this code notwithstanding, the Director of Motor Vehicles may, at his *or her* discretion, investigate into the circumstances of any an application for registration to ascertain if penalties had accrued through no fault or intent of the owner.

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Provided-such *the* circumstances prevail, the director may waive any *the* penalties upon payment of the license fee then due.

- (c) When a transferee or purchaser of a vehicle applies for transfer of registration of a vehicle, and it is determined by the department that license fees for the vehicle for any year period are unpaid and due, that the fees became due prior to the transfer or purchase of the vehicle by the transferee or purchaser, and that the transferee or purchaser was not cognizant of the fact that the fees were unpaid and due, the department may waive the fees and any penalty thereon when both of the following conditions exist:
- (1) The license plate assigned to the vehicle displays a validating device issued by the department, and the validating device contains the year number period of the registration year period for which the transferee or purchaser is requesting a waiver of fees and penalties.
- (2) The transferee or purchaser has submitted to the department the registration card that indicates the vehicle is registered for the registration—year period indicated on the validating device displayed on the license plate assigned to the vehicle.
- (d) Upon the transfer of a vehicle for which license fees and any penalties thereon are unpaid and due,—such those fees and penalties are, notwithstanding—the—provisions—of Article 2 (commencing with Section 10876), the personal debt of the transferor of the vehicle who did not pay the fees and penalties when they became due or accrued. The fees and penalties may be collected by the department in an appropriate civil action if the department has waived the fees and penalties pursuant to subdivision (c).
- SEC. 9. Section 10902 of the Revenue and Taxation Code is amended to read:
- 10902. (a) In the event of a constructive total loss, in which the repair value exceeds the market value of the vehicle less the anticipated salvage value, or a nonrepairable vehicle, or an unrecovered total loss, due to a theft, of a vehicle, the in-lieu fee portion of the vehicle license fee that has been paid, less any offset provided in Section 10754, shall be refunded to the current registered owner (the owner of the salvage value of the vehicle), or credited against the vehicle license fee owed on the owner's replacement vehicle. The amount refunded or credited shall be based upon one-twelfth one twenty-fourth of the biennial payment

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amount of the annual in-lieu fee, less any offset provided by Section 10754, for each full month that remains until the registration expires.

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- (b) No-A refund or credit—may shall not be made pursuant to this section unless the vehicle owner has signed a declaration under penalty of perjury that he or she has not been cited or convicted of violating Section 23152 or 23153 of the Vehicle Code (relating to driving under the influence of alcohol or drugs) or Section 23103 as specified in Section 23103.5 of that code (which involves a substitute for an original citation of driving under the influence) in connection with the owner's vehicle loss. If the owner has been cited under any of these code sections, the owner shall be entitled to the refund or credit upon presentation of either proof of dismissal of the citation or a finding of not guilty.
- (c) The Department of Motor Vehicles shall charge to vehicle owners requesting a refund or credit pursuant to this section a service fee in the amount of fifteen dollars (\$15) to cover the administrative costs of processing the request.
- (d) In the case of a request for refund or credit with respect to a stolen vehicle, the vehicle owner may not be is not entitled to a refund or credit prior to 60 days from the date the theft of the vehicle is reported to the police. If a refund is received or a credit is applied to another vehicle and the stolen vehicle is subsequently recovered, the owner shall return the amount refunded or credited. If the owner receives a refund or credit, and the destroyed or stolen vehicle is scrapped and subsequently repaired by another person, the new owner shall pay the full vehicle license fee.
- (e) The Department of Motor Vehicles shall adopt regulations for the administration of the refunds and credits provided by this section.
- SEC. 10. Section 506 of the Vehicle Code is amended to read: 506. "Registration year" or "registration period" is the period of time beginning with the date the vehicle is first required to be registered in this state and ending on the date designated by the director for expiration of the registration or the period of time designated for subsequent renewal thereof.
- SEC. 11. Section 1651.5 of the Vehicle Code is amended to read:
- 1651.5. (a) (1) The director-may shall assign or reassign dates for the expiration of registration for a vehicle registered pursuant

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to this code. The director-may shall establish a biennial registration year period for any a vehicle consisting of any period from seven months to 18 months, inclusive, with subsequent renewals being required at vearly biennial intervals thereafter. The director shall assign an expiration date of the last day of the calendar month to all trailers and to all motor vehicles subject to additional fees under the provisions of Section 9400. Any A vehicle being registered on a quarterly basis shall be assigned or reassigned an expiration date of December 31 for the that registration year period. The director shall have the authority to exclude from year-round biennial registration—any the type of vehicle that the director deems appropriate for exclusion and shall exclude vehicles registered pursuant to the International Registration Plan as described in Article 4 (commencing with Section 8050) of Chapter 4 of Division 3 or subject to Section 9400.1 from biennial registration and retain annual year-round registration for those vehicles.

- (2) The director shall require that a vehicle with a license plate that has a final numerical character that is an odd number have its registration renewed in odd-numbered years and that a vehicle with a license plate that has a final numerical character that is an even number have its registration renewed in even-numbered years. The director shall require that a vehicle with a license plate without a numerical character have its registration renewed in odd-numbered years.
- (b) In order to implement a year-round registration for vehicles registered pursuant to the International Registration Plan as described in Article 4 (commencing with Section 8050) of Chapter 4 of Division 3, the director, on or before January 1, 2009, shall assign or reassign a date for the expiration of registration of those vehicles described in this subdivision and may utilize the applicable practices and procedures set forth under subdivision (a) in order to implement this subdivision.
- SEC. 12. Section 4602 of the Vehicle Code is amended to read: 4602. Application for renewal of a vehicle registration shall be made by the owner not later than midnight of the expiration date, and shall be made by presentation of the registration card last issued for the vehicle or by presentation of a potential registration card issued by the department for use at the time of renewal and by payment of the full registration—year period fee for the vehicle as provided in this code. If the registration card and

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potential registration card are unavailable, a fee as specified in Section 9265 shall not be paid.

SEC. 13. Section 5004.5 of the Vehicle Code is amended to read:

5004.5. (a) Notwithstanding any other provision of this code, any an owner of a motorcycle manufactured in the year 1942 or prior thereto shall earlier, upon application in the manner and at the time prescribed by the department, shall be issued special license plates for the motorcycle. The special license plates assigned to such the motorcycles shall run in a separate numerical series. An additional fee of fifteen dollars (\$15) shall be charged for the initial issuance of the special license plates. Such The special license plates shall be permanent and shall not be required to be replaced. If such the special license plates become damaged or unserviceable in any manner, replacement for the plates may be obtained from the department upon proper application and upon payment of such the fee as that is provided for in Section 9265. Except as otherwise provided in this section, such motorcycles shall be the motorcycle is subject to the same annual biennial registration fees and provisions of law as are other motorcycles.

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(b) All revenues derived from the fees provided for in this section above actual costs of the production and issuance of the special plates for motorcycles, or the replacement thereof, shall be deposited in the California Environmental License Plate Fund by the department.

SEC. 14. Article 1.5 (commencing with Section 9200) is added to Chapter 6 of Division 3 of the Vehicle Code, to read:

Article 1.5. Affect of Biennial Registration on Payment of Vehicle Registration and Weight Fees

9200. Notwithstanding any other law, when this code or any other code imposes a charge on the registration of a vehicle that is registered on a biennial basis, or that is required to be collected at the time of registration of a vehicle that is registered on a biennial basis, and does not specify that the charge is imposed for a biennial registration period, the department shall collect the charge on a biennial basis, so that two-years' worth of the charge is collected at the time of the biennial registration.

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SEC. 15. Section 9559.5 of the Vehicle Code is amended to read:

9559.5. When, by reason of the assignment or reassignment of a renewal registration date by the director, the registration-year period is less than, or more than, -12 24 months, the fee due for that renewal shall be decreased or increased by-one-twelfth one twenty-fourth of the annual biennial fee for each month of the period less than, or in excess of, -12 24 months.

SEC. 16. Section 9700 of the Vehicle Code is amended to read: 9700. (a) With respect to—vehicles a vehicle subject to additional registration fees under Section 9400—or 9400.1, a proportionate share of the additional fees may be paid for—any a partial period of one month or more, but less than—12 24 months, in an amount determined to be—one-twelfth one twenty-fourth of the annual registration fee amount times the consecutive months, or fraction thereof, of the period of biennial registration.

(b) With respect to a vehicle subject to additional registration fees under Section 9400.1, a proportionate share of the additional fees may be paid for a partial period of one month or more, but less than 12 months, in an amount determined to be one-twelfth of the annual registration fee amount times the consecutive month, or fraction thereof, or the period of registration.

SEC. 17. The Department of Motor Vehicles shall inform a person who renews his or her vehicle registration in 2011 that the person's next registration renewal will be for a two-year period, which will occur in 2012 for a vehicle with a license plate that has a final numerical character that is an even number or in 2013 for a vehicle with a license plate that has a final numerical character that is an odd number or does not have a numerical character. The Department of Motor Vehicles shall include with that notification a statement that the biennial renewal will require payment of two-years' worth of registration fees, vehicle license fees, and related charges, the total of which will be approximately double the charges made for registration in 2011.

SEC. 18. Sections 1 to 16, inclusive, of this act shall become operative on January 1, 2012.